

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-558

August 12, 1998

VINALHAVEN WATER DISTRICT
Application for Approval of
Issue of Securities (§ 902)
(\$468,963.12)

ORDER

WELCH, Chairman; NUGENT, Commissioner

On July 21, 1998 the Vinalhaven Water District (the District) filed with the Commission its application for authority to issue its bond in a sum not to exceed \$468,963.12 through the State Drinking Water Revolving Loan Fund administered through the Maine Municipal Bond Bank, at an annual rate not to exceed 5.0 percent. The debt will be paid over a term not to exceed 20 years. The closing on the bond is anticipated to be in the spring of 1999.

The District requires these funds to pay the construction costs to be incurred for a supplemental water supply and wellhead protection of a new water supply and costs of equipment and purchase of land in connection therewith.

Pursuant to an Amended Delegation Order dated January 9, 1996 in Docket No. 93-169, the Commission delegated to the Director of Finance its authority under 35-A M.R.S.A., Chapter 9 and 11, to approve water utility financing applications, including those that involve mortgaging utility property, for MMBB, REEDA and their successors. This delegation in no way limits the Commission's authority to review the decision of the Director of Finance pursuant thereto or to directly consider requests for variations. The Director of Finance's approval shall be in the form of an Order, copies of which shall be maintained in the files of the office of the Administrative Director.

Having reviewed the application of the District, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the bond are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to § 902(4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order

limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, pursuant to the Amended Delegation Order dated January 9, 1996, in Docket No. 93-169, I

O R D E R

1. That the Vinalhaven Water District is hereby authorized to issue its bond in a sum not to exceed \$468,963.12 to be used solely for the purposes described in this Order, and at a rate not to exceed 5.0 percent per year through the State Drinking Water Revolving Loan fund administered through the Maine Municipal Bond Bank for a term not to exceed 20 years.

2. That the District report to the Commission in writing its doings pursuant to this Order within sixty (60) days of the date of the issue of the proposed bond, or by October 30, 1999, whichever may come first.

3. That a copy of this Order be mailed to interested parties and this Docket be closed.

Dated at Augusta, Maine, this 12th day of August, 1998.

BY ORDER OF THE DEPUTY DIRECTOR
OF FINANCE

Richard Kania
Deputy Director of Finance

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of adjudicatory proceedings are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 6(N) of the Commission's Rules of Practice and Procedure (65-407 C.M.R.11) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which consideration is sought.

2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320 (1)-(4) and the Maine Rules of Civil Procedure, Rule 73 et seq.

3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320 (5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.